

GOVERNMENT OF KARNATAKA

LAW AND PARLIAMENTARY AFFAIRS SECRETARIAT

*Notification No. LAW 2 ICA 1975, Bangalore, dated
January 1975.*

The Governor of Karnataka is pleased to order that the Trust Laws (Amendment) Ordinance, 1975 (No. 1 of 1975) which has been published in the Gazette of India, Extraordinary, Part II, Section 1, dated 7th January 1975 be republished in the *Karnataka Gazette*, for General information.

M. BALAJI RAO,

*Under Secretary to Government. I/C.,
Dept. of Law and Parly. Affairs.*

THE TRUST LAWS (AMENDMENT) ORDINANCE,
1975

No. 1 of 1975

Promulgated by the President in the Twenty-fifth Year of
the Republic of India.

An Ordinance further to amend the Indian Trusts Act, 1882
and the Unit Trust of India Act, 1963.

WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action ;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance :—

1. *Short title and commencement.*—(1) This Ordinance may be called the Trust Laws (Amendment) Ordinance, 1975.

(2) The provisions of Section 3 shall come into force on the 1st day of April, 1975 and the remaining provisions of this Ordinance shall come into force at once.

2. *Amendment of Act 2 of 1882.*—In Section 20 of the Indian Trusts Act, 1882,—

(a) after clause (c), the following clause shall be inserted, namely :—

“(ee) in units issued by the Unit Trust of India under any Unit Scheme made under Section 21 of the Unit Trust of India Act, 1963 ; (52 of 1963.) or”;

(b) in clause (f), after the words “expressly authorised by the instrument of trust,” the words “or by the Central Government by notification in the Official Gazette,” shall be inserted.

3. *Amendment of Section 32 of Act 52 of 1963.*—In Section 32 of the Unit Trust of India Act, 1963 (hereinafter referred to as the Unit Trust Act),—

(i) in sub-section (1),—

(a) after the words “anything contained in”, the words and figures “the Wealth-tax Act, 1957” (27 of 1957), shall be inserted ;

(b) after clause (a), the following clauses shall be inserted, namely :—

“(b) in the case of an assessee being—

(i) an individual, or

(ii) a Hindu undivided family, or

(iii) an association of persons or a body of individuals consisting only of husband and wife governed by the system of community of property in force in the Union territories of Dadra and Nagar Haveli and Goa, Daman and Diu—

there shall be allowed, in computing the total income of the assessee, for the purposes of the Income-tax Act, 1961 (43 of 1961.) a further deduction of an amount equal to so

much of the income in respect of units received by the assessee during the previous year as has not been allowed by way of deduction under Section 80L of the Income-tax Act, 1961, so, however, that the amount to be deducted under this clause shall not exceed two thousand rupees—

Explanation.—In this clause, the expressions “assessee”, “previous year” and “total income” shall have the meanings respectively assigned to them in the Income-tax Act, 1961 (43 of 1961.);

(ba) in the case of an assessee being an individual or a Hindu undivided family, wealth-tax shall not be payable in respect of, and there shall not be included in the net wealth of the assessee computed under the Wealth-tax Act, 1957 (27 of 1957.) so much of the assets in the form of units as have not been included in the net wealth of the assessee under Section 5 of that Act, so, however, that the value of the assets excluded under this clause shall not exceed twenty-five thousand rupees.

Explanation.—In this clause, the expressions “assessee” and “net wealth” shall have the meanings respectively assigned to them in the Wealth-tax Act, 1957;” (27 of 1957.);

(ii) in sub-section (2), in clause (c), for the words “three thousand rupees”, wherever they occur, the words “five thousand rupees” shall be substituted.

4. *Substitution of Section 39.*—For Section 39 of the Unit Trust Act, the following sections shall be substituted, namely :—

No trust to be taken notice of.—“39. Except to the extent provided in and except in accordance with the regulations made under this Act, no notice of a trust, express, implied or constructive, shall be receivable by the Trust.

39A. *Nomination by unit holders and agents.*—Notwithstanding anything contained in any other law for the time being in force,—

(a) where a person has been recognised by the Trust to be a nominee of a unit holder, the amount payable to the unit holder by the Trust in respect of any unit or units shall, subject to any charge or encumbrance thereon, or any right, title, claim or other interest of any other person to or in respect of the said units, vest in and be payable to the nominee ;

(b) where any person appointed by the Trust as an agent for soliciting or procuring any business, including the sale of units, has nominated, in writing any other person, including a social and charitable institution, to receive the commission or other remuneration payable to him after his death, such commission or other remuneration shall be payable to the nominee.

39B. *Protection of certain amounts from attachments.*—Notwithstanding anything contained in any other law for the time being in force, the amount standing to the credit of a contributing institution shall not be liable to attachment under any decree or order of any court in respect of any debt or liability incurred by the contributing institution.”.

5. *Amendment of Section 43.*—In Section 43 of the Unit Trust Act, in sub-section (2),—

(i) in clause (n), the word “ and ” at the end shall be omitted ;

(ii) after clause (n), the following clause shall be inserted, namely :—

“(nn) the extent to which and the circumstances under which trusts may be taken notice of ;”.

FAKHRUDDIN ALI AHMED,

President.

7—1—1975

K. K. SUNDARAM,

Secy. to the Govt. of India.